

Department of Social and Health Services

DP Code/Title: M2-TY ITA Ancillary Costs

Program Level - 030 Mental Health

Budget Period: 2003-05 Version: C2 030 2003-05 2004 Sup-Agency Req

Recommendation Summary Text:

This item requests funding to support the Involuntary Treatment Act (ITA) ancillary charges required to be paid by the Mental Health Division (MHD). Statewide result number 5.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	1,838,000	1,890,000	3,728,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	998,000	946,000	1,944,000
Total Cost	2,836,000	2,836,000	5,672,000

Staffing

Package Description:

The Medicaid Management Information System (MMIS) charges MHD for all ancillary costs associated with a client under the ITA. The ancillary costs include physician, pharmacy, lab, transportation, and other costs for ITA clients only. These same costs for voluntary clients are paid by MAA. These costs are not included in the managed care system operated by the Regional Support Networks (RSNs), and therefore, are paid directly by MHD. MHD does not have funding to support the payments.

When inpatient services were capitated and funding sent to the RSNs (in 1998), the program's designers didn't know that ancillary costs were also being paid by MHD for ITAs. All of the funding was given to the RSNs in the capitated rate, even though MHD continued to pay for the ancillary costs. As time passed, funding for RSN inpatient costs was reduced by 15% because not all of it was being spent on inpatient claims. Unfortunately, the fact that the funding was needed for ancillary costs was not noticed until after the cut was made. Currently, the ancillary costs are being paid by MHD, but there is no funding to pay for them. This decision package requests funding for those ancillary costs - the funding will correct errors that were made beginning in 1998.

A long term solution to the funding shortfall is to re-program MMIS to bill the Medical Assistance Administration (MAA) for the ancillary costs. The costs would then be captured in the MAA forecast.

Narrative Justification and Impact Statement

How contributes to strategic plan:

By providing community outpatient and inpatient services in both a managed care and a fee for service environment. MHD pursues the strategic plan goal of ensuring services are provided to the most needy clients.

Performance Measure Detail

Program: 030

**Goal: 04C Ensure public mental health works for most seriously,
chronically, mentally ill**

No measures submitted for package

Incremental Changes

FY 1

FY 2

Reason for change:

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Currently ITA ancillary costs are not in MHD's budget. This request is for the necessary funds to pay for these services.

Impact on clients and services:

Ensures the MHD is able to provide ITA services to consumers.

Impact on other state programs:

May have positive impact on Department of Correction's resident population. In the future, with MMIS re-programming, MAA could be billed for the costs

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

One option explored would be to have this built into the Regional Support Network (RSNs) responsibility. However, this option would require additional funding to the amount requested due to the increase in administrative costs to the RSNs.

The second option would be to re-program MMIS, which will be considered. If re-programmed, MMIS would bill MAA for the ancillary costs.

Budget impacts in future biennia:

The costs will be carried forward into future biennia in MHD. If MMIS is reprogrammed, this would occur as part of the MAA forecast.

Distinction between one-time and ongoing costs:

These are all ongoing costs.

Effects of non-funding:

This option maintains the programs offered by the MHD. Currently all ITA costs are the responsibility of the MHD. If these costs are not paid for, the mental health system may continue to lose providers, which is already an increasing problem. Legally, the MHD cannot refuse to pay for these services.

Expenditure Calculations and Assumptions:

See attachment - MHD M2-TY ITA Ancillary Costs.xls.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	2,836,000	2,836,000	5,672,000

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	1,838,000	1,890,000	3,728,000
<i>Total for Fund 001-1</i>		1,838,000	1,890,000	3,728,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	998,000	946,000	1,944,000
<i>Total for Fund 001-C</i>		998,000	946,000	1,944,000
Total Overall Funding		2,836,000	2,836,000	5,672,000